Registre de Commerce et des Sociétés
B22841 - L140095656
déposé le 10/06/2014

Arendt Services 1006/38310

McD Europe Franchising S.à r.l.

Société à responsabilité limitée
(ci-après la "Société")
Siège social : 12F, rue Guillaume Kroll
L- 1882 Luxembourg
Capital social : USD 792.815.-
R.C.S. Luxembourg B22.841

La Société a été constituée suivant acte reçu par Maître Franck BADEN, notaire de résidence à Luxembourg, en date du 9 mai 1985, publié au Mémorial C, Recueil des Sociétés et Associations n° 172 de 1985.

Les comptes annuels de la Société au 31 décembre 2013 ont été déposés au Registre de Commerce et des Sociétés de Luxembourg.

McD Europe Franchising S.à r.l.

Pour mention aux fins de publication au Mémorial C, Recueil des Sociétés et Associations au Luxembourg.

Registre de Commerce et des Sociétés
B22841 - L140095656
enregistré et déposé le 10/06/2014

RCSL Nr. : B22841	Matricule : 1985 2402 728

BALANCE SHEET

Financial year from 01 01/01/2013 **to** 02 31/12/2013 *(in* 03 USD *)*

McD Europe Franchising S.à r.l.

12F, rue Guillaume Kroll
L-1882 Luxembourg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109		109	157.809.668,42	110	274.653.257,95
I. Intangible fixed assets	1111		111	9.749.461,33	112	126.742.997,33
1. Research and development costs	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	3	115	9.749.461,33	116	126.742.997,33
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117	9.749.461,33	118	126.742.997,33
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible fixed assets under development	1123		123		124	
II. Tangible fixed assets	1125	4	125	10.073.207,09	126	9.923.260,62
1. Land and buildings	1127		127	9.962.269,70	128	9.744.955,03
2. Plant and machinery	1129		129		130	

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131	110.937,39	132	178.305,59
4. Payments on account and tangible fixed assets under development	1133		133		134	
III. Financial fixed assets	1135	5	135	137.987.000,00	136	137.987.000,00
1. Shares in affiliated undertakings	1137		137	137.987.000,00	138	137.987.000,00
2. Amounts owed by affiliated undertakings	1139		139		140	
3. Shares in undertakings with which the company is linked by virtue of participating interests	1141		141		142	
4. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1143		143		144	
5. Securities held as fixed assets	1145		145		146	
6. Loans and claims held as fixed assets	1147		147		148	
7. Own shares or own corporate units	1149		149		150	
D. Current assets	1151		151	752.642.715,40	152	367.292.104,11
I. Inventories	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work and contracts in progress	1157		157		158	
3. Finished goods and merchandise	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	95.093.689,43	164	93.517.166,38
1. Trade receivables	1165		165	1.607.176,95	166	1.865.422,99
a) becoming due and payable within one year	1167		167	1.607.176,95	168	1.865.422,99
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171		171	92.854.034,72	172	91.037.265,36
a) becoming due and payable within one year	1173		173	92.854.034,72	174	91.037.265,36
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other receivables	1183		183	632.477,76	184	614.478,03
a) becoming due and payable within one year	1185		185		186	

		Reference(s)		Current year		Previous year
b) becoming due and payable after more than one year	1187		187	632.477,76	188	614.478,03
III. Transferable securities	1189		189		190	
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	1191		191		192	
2. Own shares or own corporate units	1193		193		194	
3. Other transferable securities	1195		195		196	
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197		197	657.549.025,97	198	273.774.937,73
E. Prepayments	1199		199	192.378,47	200	188.756,04
TOTAL (ASSETS)			201	910.644.762,29	202	642.134.118,10

LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301	6	301	689.892.618,87	302	430.608.532,96
I. Subscribed capital	1303		303	792.815,00	304	792.815,00
II. Share premium and similar premiums	1305		305	225.000.000,55	306	0,55
III. Revaluation reserves	1307		307		308	
IV. Reserves	1309		309	118.151,20	310	118.151,20
1. Legal reserve	1311		311	79.281,56	312	79.281,56
2. Reserve for own shares or own corporate units	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves	1317		317	38.869,64	318	38.869,64
V. Profit or loss brought forward	1319		319	179.697.566,21	320	257.236.421,16
VI. Profit or loss for the financial year	1321		321	284.284.085,91	322	172.461.145,05
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
IX. Temporarily not taxable capital gains	1327		327		328	
B. Subordinated debts	1329		329		330	
C. Provisions	1331	7	331	3.100.000,00	332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337	3.100.000,00	338	
D. Non subordinated debts	1339	8	339	217.652.143,42	340	211.525.585,14
1. Debenture loans	1341		341		342	
a) Convertible loans	1343		343		344	
i) becoming due and payable within one year	1345		345		346	
ii) becoming due and payable after more than one year	1347		347		348	
b) Non convertible loans	1349		349		350	
i) becoming due and payable within one year	1351		351		352	
ii) becoming due and payable after more than one year	1353		353		354	
2. Amounts owed to credit institutions	1355		355		356	
a) becoming due and payable within one year	1357		357		358	
b) becoming due and payable after more than one year	1359		359		360	

	Reference(s)		Current year		Previous year
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	3.307.154,71	368	1.019.667,27
a) becoming due and payable within one year	1369	369	3.307.154,71	370	1.019.667,27
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	379	205.669.584,36	380	202.301.029,62
a) becoming due and payable within one year	1381	381	158.800.902,45	382	140.335.552,89
b) becoming due and payable after more than one year	1383	383	46.868.681,91	384	61.965.476,73
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Tax and social security debts	1391	391	4.078.034,58	392	3.660.801,51
a) Tax debts	1393	393	4.078.034,58	394	3.660.801,51
b) Social security debts	1395	395		396	
9. Other creditors	1397	397	4.597.369,77	398	4.544.086,74
a) becoming due and payable within one year	1399	399	4.597.369,77	400	4.544.086,74
b) becoming due and payable after more than one year	1401	401		402	
E. Deferred income	1403	403		404	
TOTAL (LIABILITIES)		405	910.644.762,29	406	642.134.118,10

RCSL Nr. : B22841	Matricule : 1985 2402 728

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2013 **to** 02 31/12/2013 *(in* 03 USD)

McD Europe Franchising S.à r.l.

12F, rue Guillaume Kroll
L-1882 Luxembourg

A. CHARGES

		Reference(s)		Current year		Previous year
1. Use of merchandise, raw materials and consumable materials	1601		601		602	
2. Other external charges	1603	9	603	641.093.069,40	604	696.296.827,77
3. Staff costs	1605	10	605	11.688.238,74	606	10.368.478,69
a) Salaries and wages	1607		607	10.372.605,22	608	8.410.167,20
b) Social security on salaries and wages	1609		609	1.097.516,80	610	1.622.825,05
c) Supplementary pension costs	1611		611	218.116,72	612	335.486,44
d) Other social costs	1613		613		614	
4. Value adjustments	1615		615	117.642.765,75	616	117.782.184,03
a) on formation expenses and on tangible and intangible fixed assets	1617	3, 4	617	117.642.765,75	618	117.782.184,03
b) on current assets	1619		619		620	
5. Other operating charges	1621		621	216.278,91	622	215.758,08
6. Value adjustments and fair value adjustments on financial fixed assets	1623		623		624	
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625		625		626	
8. Interest and other financial charges	1627		627	5.317.794,34	628	9.358.602,67
a) concerning affiliated undertakings	1629		629	1.587.913,42	630	2.128.287,42
b) other interest and similar financial charges	1631		631	3.729.880,92	632	7.230.315,25
9. Extraordinary charges	1633	7	633	3.100.000,00	634	

		Reference(s)		Current year		Previous year
10. Income tax	1635	13	635	4.154.202,89	636	3.202.189,71
11. Other taxes not included in the previous caption	1637		637		638	
12. Profit for the financial year	1639		639	284.284.085,91	640	172.461.145,05
TOTAL CHARGES			641	1.067.496.435,94	642	1.009.685.186,00

B. INCOME

		Reference(s)		Current year		Previous year
1. Net turnover	1701	11	701	1.064.852.505,82	702	1.008.821.469,05
2. Change in inventories of finished goods and of work and contracts in progress	1703		703		704	
3. Fixed assets under development	1705		705		706	
4. Reversal of value adjustments	1707		707		708	
a) on formation expenses and on tangible and intangible fixed assets	1709		709		710	
b) on current assets	1711		711		712	
5. Other operating income	1713		713		714	
6. Income from financial fixed assets	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
7. Income from financial current assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income from financial current assets	1725		725		726	
8. Other interest and other financial income	1727		727	2.643.930,12	728	863.716,95
a) derived from affiliated undertakings	1729		729		730	
b) other interest and similar financial income	1731	12	731	2.643.930,12	732	863.716,95
9. Extraordinary income	1733		733		734	
12. Loss for the financial year	1735		735	0,00	736	0,00
TOTAL INCOME			737	1.067.496.435,94	738	1.009.685.186,00

McD Europe Franchising S.à r.l.
12F, rue Guillaume Kroll
L-1882 Luxembourg

R.C.S. Luxembourg B 22.841

Annual accounts as at 31 December 2013 and,
Independent auditor's report

Building a better
working world

Ernst & Young
Société anonyme

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Independent auditor's report

To the Shareholders
McD Europe Franchising S.à r.l.
12F, rue Guillaume Kroll
L-1882 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated 28 May 2013, we have audited the accompanying annual accounts of McD Europe Franchising S.à r.l., which comprise the balance sheet as at 31 December 2013 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Managers determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of McD Europe Franchising S.à r.l. as of 31 December 2013, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Managers, is consistent with the annual accounts.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Áine Hearty

Luxembourg, 27 May 2014

McD Europe Franchising S.à r.l.
Société à responsabilité limitée
Notes to the annual accounts
as of December 31, 2013

NOTE 1 - GENERAL

McD Europe Franchising S.à r.l. - hereafter "the Company" - was incorporated on May 9, 1985 as a "Société à responsabilité limitée" within the definition of the Luxembourg Law of August 10, 1915, as amended, on commercial companies and for an unlimited period of time. The Extraordinary General meeting held on November 24, 2008 decided to change the name of the Company from Mc Donald's Immobilier G.m.b.H. to McD Europe Franchising S.à r.l.

The Company's registered office is established in Luxembourg.

The financial year of the Company runs from the 1st of January until the 31st of December of each year.

The object of the Company includes the holding of participations, in any form whatsoever, in any commercial, industrial, financial, or other, Luxembourg or foreign companies or enterprises; to acquire or through participations, contributions, underwriting, purchases or options, negotiation or in any other way any securities, rights, patents, trademarks, copyrights, any other franchise rights and licences, and other property, rights and interest in property as the Company shall deem fit, and generally to hold, manage, develop, sell, license or dispose of the same, in whole or in part, for such consideration as the Company may think fit, and in particular for shares or securities of any company purchasing the same; to enter into, assist or participate in financial, commercial and other transactions, and to grant to any holding company, subsidiary, affiliate or any other company associated in any way with the Company, or the said holding company, subsidiary, affiliate, or any other company in which the Company has a direct or indirect financial interest, any assistance, loans or advances, to borrow and raise money in any manner and to secure the repayment of any money borrowed.

The purpose of the Company is also the administration, purchase, sale and leasing of real estate, the provision of consultancy services in respect of the design, operations and management of restaurants of any kind, especially fast food gastronomy, both within the territory of the Grand Duchy of Luxembourg and abroad. The Company may operate restaurants of any kind, especially those belonging to the fast food gastronomy.

Furthermore, the Company may perform all commercial, technical and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purposes.

In January 2, 2009, the Company established a U.S. branch with their office in Illinois, United States of America with its place of business located at McDonald's Plaza, Oak Brook, Illinois 60523, USA.

In January 29, 2009, the Company established a Swiss branch with their office in Switzerland with its place of business located at Boulevard du Théâtre 3, 1204 Geneva, Switzerland.

In February 2009, the Company entered into various agreements with its ultimate parent company McDonald's Corporation and affiliates whereby it acquired the rights to use, develop and/or sublease marketing and operating intangible assets developed by the McDonald's group linked to the McDonald's restaurant system within Europe. In return for this right, the Company is obliged to pay an annual fee to McDonald's Corporation and affiliates consisting of a royalty component and cost sharing expenses. The royalty component is calculated based on a percentage of the sales of the various European entities to which the Company has subleased the intangibles.
The Company has subleased the aforementioned intangibles to various franchisees within Europe and receives an annual franchise income which is calculated based on the annual sales of the franchisee.

In conformity with Article 316 of the Commercial Law of August 10, 1915, as amended, the Company is exempt from the obligation to establish consolidated accounts as the Company and all of its subsidiaries are consolidated in the consolidated accounts of its ultimate parent company McDonald's Corporation which has its registered address at One McDonald's Plaza, Oak Brook, Illinois.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General principles

These annual accounts have been prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg.

Main valuation rules

Translation of currencies

The accounts of the Company and its branches are expressed in USD.

The cost of fixed assets expressed in currencies other than USD are translated at the historical exchange rate.
Long term liabilities expressed in currencies other than USD are valued separately at the higher of the historical rate or the balance sheet exchange rate.

Current assets and current liabilities denominated in foreign currencies are translated into USD at the balance sheet exchange rate.

Income and expenses expressed in currencies other than USD are converted at the exchange rate applicable at the date of the transactions.

The resultant exchange gains and losses arising from the application of the above principles are reflected in the profit and loss account.

Intangible assets
Intangible assets are recorded at their acquisition price or at cost less accumulated amortization. The intangible assets are amortized on a straight-line basis over their estimated useful lives which is currently 5 years.

Tangible assets
Tangible assets are recorded at their acquisition cost, less depreciation. The acquisition price includes charges and expenses incurred in connection with their acquisition.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which the Board of Managers has assessed as being 20 years for leasehold and 27 for buildings. Land is not depreciated.
Where the Company considers that land and buildings have suffered a permanent depreciation in value, a value adjustment is recorded in order to reflect this loss. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets
Shares in affiliated undertakings are valued individually at the lower of their acquisition cost or their net realisable market value estimated by the Board of Managers. A value adjustment is recorded at the end of each year in case of any permanent diminution in value. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

Debtors
Debtors are stated at their nominal value.
A value adjustment is recorded when the estimated net realizable value is lower than the nominal value
The net realizable value is estimated on the basis of the information available to the Board of Managers.

Provisions
At the end of each period, provisions are recorded to cover all foreseeable liabilities and charges.
Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply

Creditors
Creditors are stated at their repayment value.

Net turnover : Revenue recognition - Royalties

All amounts receivable from affiliated undertakings under the Master Franchise Agreements are recognised on an accrual basis over the life of the contract. The amount invoiced is dependent on a number of factors including the level of sales of the franchisee.

NOTE 3 - INTANGIBLE FIXED ASSETS

	2013 USD	2012 USD
Cost at the beginning of the year	584 967 680,00	584 967 680,00
Additions	---	---
Cost at the end of the year	584 967 680,00	584 967 680,00
Depreciation at the beginning of the year	(458 224 682,67)	(341 231 146,67)
Depreciation during the year	(116 993 536,00)	(116 993 536,00)
Depreciation at the end of the year	(575 218 218,67)	(458 224 682,67)
Net book value at the end of the year	9 749 461,33	126 742 997,33

Intangible assets, acquired in February 2009 from affiliated undertakings, consist of rights to use the Mc Donald's restaurant system and related intellectual property developed in connection with McDonald's franchised restaurants in France (the "Developed Intangibles").

NOTE 4 - TANGIBLE FIXED ASSETS

Tangible assets relate to buildings and leasehold improvements.

	2013 USD	2012 USD
Cost at the beginning of the year	17 306 698,83	17 235 789,87
Additions	810 971,28	95 491,48
Disposals	(11 795,06)	(24 582,52)
Cost at the end of the year	18 105 875,05	17 306 698,83
Depreciation at the beginning of the year	(7 383 438,21)	(6 594 790,18)
Depreciation during the year	(649 229,75)	(788 648,03)
Depreciation at the end of the year	(8 032 667,96)	(7 383 438,21)
Net book value at the end of the year	10 073 207,09	9 923 260,62

Leased sites are depreciated over 237 months in parallel with the terms mentioned in the lease agreement.
Owned sites are depreciated over 240 (Leasehold Improvement) and 330 (buildings) months starting from the opening date Other assets (i. e equipment of the restaurants, office equipment) have useful lives up to 120 months.

NOTE 5 - FINANCIAL FIXED ASSETS

	Shares in affiliated undertakings
	USD
Acquisition cost at the beginning and the end of the year	137 987 000,00
Value adjustments at the beginning and the end of the year	---
Net book value as of December 31, 2013	137 987 000,00
Net book value as of December 31, 2012	137 987 000,00

The Company holds investments in the following companies:

Name & registered office	**% held**	**Net book value as of December 31, 2013**
		USD
McDonald's European Finance Company B.V. Netherlands	40,70%	137 962 000,00
McD Europe Franchising Services S.à r.l. France	100,00%	25 000,00

The Board of Managers are in the opinion that no value adjustment has to be recorded on the investments as at December 31, 2013, considering either the market value of the investment or that the diminution in value is not permanent.

Art.65 paragraph (1) 2° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "Law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking.
In conformity with Art 67.(3) of the Law, these details have been omitted since the undertaking is included in consolidated accounts drawn up by the ultimate parent company and these consolidated accounts and the related consolidated annual report and auditor's report thereon have been lodged with the Luxembourg Trade Registry.

NOTE 6 - CAPITAL AND RESERVES

	Subscribed capital	Share premium and similar premiums	Legal reserve	Other reserves	Results brought forward	Result for the financial year
	USD	USD	USD	USD	USD	USD
Balance as of January 1, 2013	792 815,00	0,55	79 281,56	38 869,64	257 236 421,16	172 461 145,05
Allocation of the result 2012	—	—	—	—	172 461 145,05	(172 461 145,05)
Dividend distributed	—	—	—	—	(250 000 000,00)	—
Allocation to equity without issuing new shares	—	225 000 000,00	—	—	—	—
Result for the financial year	—	—	—	—	—	284 284 085,91
Balance as of December 31, 2013	792 815,00	225 000 000,55	79 281,56	38 869,64	179 697 566,21	284 284 085,91

Subscribed capital

As of December 31, 2013, the subscribed and paid up capital amounting to USD 792.815,00 is represented by 792.815 shares having a nominal value of USD 1.00 each.

Share premium and similar premiums

On November 29, 2013, the sole shareholder decided to convert the unpaid dividend declared of the amount of USD 225.000.000,00 into equity of the Company without issuing new shares (account 115 of the standard chart of accounts "*apport en capitaux propres non rémunérés par des titres*").

Legal reserve

In accordance with the Luxembourg Law of August 10, 1915, as amended, on commercial companies, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution during the life of the Company.

Allocation of the results

On May 28, 2013, the sole shareholder decided to allocate the profit amounting to USD 172.461.145,05 realized during the year 2012 to the results brought forward. The sole shareholder resolved to pay an annual dividend amounting to USD 250.000.000,00. Thus, the remaining profit carry forward is amounting to USD 179.697.566,21.

NOTE 7 - PROVISIONS

In the ordinary course of business, the Company is subject to proceedings, lawsuits and other claims primarily related to competitors, customers, employees, franchisees, government agencies, intellectual property, shareholders and suppliers. The Company is required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of accrual, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

NOTE 8 - NON SUBORDINATED DEBTS

	Less than 1 year	Between 1 and 5 years	Total
	USD	USD	USD
Loans owed to affiliated undertakings	97 242 283,74	46 868 681,91	144 110 965,65
Interest accrued on loans owed to affiliated undertakings	556 934,58	—	556 934,58
Intercompany cost sharing expense payable	16 864 714,65	—	16 864 714,65
Intercompany trade payable	44 136 969,48	—	44 136 969,48
Trade creditors	3 307 154,71	—	3 307 154,71
Tax debt	4 078 034,58	—	4 078 034,58
Other creditors	4 597 369,77	—	4 597 369,77
Net book value as of December 31, 2013	170 783 461,51	46 868 681,91	217 652 143,42
Net book value as of December 31, 2012	149 560 108,40	61 965 476,73	211 525 585,13

NOTE 8 - NON SUBORDINATED DEBTS (continued)

The Company was granted the following loans which are outstanding as of December 31, 2013:

Less than one year :

- a loan from McDonald's Suisse Holding SA granted on June 18, 2013 amounting to CHF 29.486.051,89 with an interest rate of 0,3914% per year. The loan shall be reimbursed on June 18, 2014

As of December 31, 2013, the outstanding balance of the loan amounts to USD 33.182.592,72 and the accrued interest to USD 71.071,39.

- a loan from McDonald's Suisse Holding SA granted on December 5, 2011 amounting to CHF 56.673.625,00 with an interest rate of 0,318% per year. The loan shall be reimbursed on December 5, 2014.

As of December 31, 2013, the outstanding balance of the loan amounts to USD 63.778.556,16 and the accrued interest to USD 427.039,96.

- McDonald's Restaurant Operations Inc. granted an unsecured, interest-free and repayable on demand advance amounting to USD 281.134,86 (ISK 35.452.064,00).

Between one and five years :

- a loan from McDonald's Ireland Ltd granted on October 15, 2013 amounting to EUR 9.417.781,00 with an interest rate of 1,4500% per year. The loan shall be reimbursed on October 12, 2018.

As of December 31, 2013, the outstanding balance of the loan amounts to USD 12.986.178,22 and the accrued interest to USD 40.799,62.

- a loan from McDonald's Suisse Holding SA granted on November 12, 2013 amounting to CHF 30.107.992,78 with an interest rate of 0,3830% per year. The loan shall be reimbursed on November 14, 2016.

As of December 31, 2013, the outstanding balance of the loan amounts to USD 33.882.503,69 and the accrued interest to USD 18.023,61.

NOTE 9 - OTHER EXTERNAL CHARGES

Other external charges consist of cost sharing expenses, royalty expenses and management fees.
The royalty expenses and cost sharing expenses relate to annual payments made under the agreements outlined in Note 1.

NOTE 10 - STAFF COSTS

The average number of staff employed during the 2013 financial year is 13 (2012: 13).

NOTE 11 - NET TURNOVER

Net turnover consist of royalties received or receivable under Master Franchise Agreements in connection with the sublease of rights to use the McDonald's restaurant system and related intellectual property in connection with McDonald's franchised restaurants in Europe.
As of December 31, 2013 and 2012, the net turnover consists of royalties mainly realized in Europe.

NOTE 12 - OTHER INTEREST AND OTHER FINANCIAL INCOME

In 2013 other interest receivable and financial income mainly consist of foreign exchange amounting to USD 675.215,09 (2012: USD 210.189,12).

NOTE 13 - TAXATION

The Company is fully taxable in Luxembourg and subject to the applicable general tax regulations.

The tax on the profit comprises :
- USD 3.210.816,75 for the US Branch income taxes,
- USD 939.089,29 (CHF 870.000,00) for the Swiss Branch income taxes,
- USD 4.296,85 (EUR 3.235,00) for the Luxembourg Head office income taxes.

NOTE 14 - REMUNERATION OF AUDITORS

The statutory accounts for the year ended December 31, 2013 include auditors' fees for USD 141.817,38 (EUR 102.848,20) (2012: USD 184.586,44).

NOTE 15 - ADVANCES OR CREDIT GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGEMENT

No advances nor credit have been granted to the Managers during 2013 and 2012.

NOTE 16 - COMMITMENTS AND OFF BALANCE SHEET ITEMS

As mentioned in Note 1, the Company is party to various franchise agreements for a minimum of 5 years. Under these agreements the Company is required to pay royalty fees to affiliated undertakings during this period based on a percentage of sales generated by the entities to which the Company has subleased these franchises
In addition the Company has entered into agreements with various European entities within the McDonald's group to reimburse them for any costs incurred in the ongoing development of the McDonald's restaurant system.

McD Europe Franchising S.à r.l.

Société à responsabilité limitée
(ci-après la "Société")
Siège social : 12F, rue Guillaume Kroll
L- 1882 Luxembourg
Capital social : USD 792.815.-
R.C.S. Luxembourg B22.841

Conseil de gérance en fonction :

Monsieur **James SERNETT**, gérant A
Monsieur **Julian HILTON-JOHNSON**, gérant A
Monsieur **Guy HARLES**, gérant B

Réviseur d'entreprises agréé :

Ernst & Young

Affectation du résultat :

Le conseil de gérance a proposé et l'associé unique de la Société a décidé de répartir le profit de l'exercice clos au 31 décembre 2013 de 284.284.085,91 USD de la manière suivante :

Résultats reportés au 31.12.2013	USD	179.697.566,21
Profit de l'exercice social clos au 31.12.2013	USD	284.284.085,91
Distribution de dividendes	USD	- 280.000.000,00
Résultat à reporter à l'exercice social suivant	USD	4.284.085,91